



# **Dual Membership**

## **Initial Consideration**

**WASHINGTON STATE  
Law Enforcement Officers' and Fire Fighters'  
Plan 2 Retirement Board**

**Date: August 24, 2005**

# Milestones

- Dual Membership was created in 1987 with the passage of ESSB 5150.
- LEOFF Plan 2 was added to portability with the passage of ESHB 1294 in 1993.
- Both disability and surviving spouse sections were created with the passage of SB 6157 in 1996.

# Definitions

- Dual Member – a member who is currently an active member in a dual member system; has previously been a member of one or more of the other dual member systems; has never been retired from service; and is not currently receiving a disability retirement benefit from any public retirement system in the state of Washington.

# Definitions

- Current system – sometimes referred to as the “active” system; the system the member is currently employed in.
- Prior system – sometimes referred to as the “inactive” system; the system the member was previously employed in.

# Definitions

- Dual member system – includes LEOFF Plan 2; PERS Plan 1, Plan 2 and Plan 3; SERS Plan 2 and Plan 3; TRS Plan 1, Plan 2 and Plan 3; Statewide City Employees' Retirement System (SCERS); First-class city retirement systems of Seattle, Tacoma, and Spokane; and beginning July 1, 2006, the Public Safety Employees' Retirement System (PSERS).

# Definitions

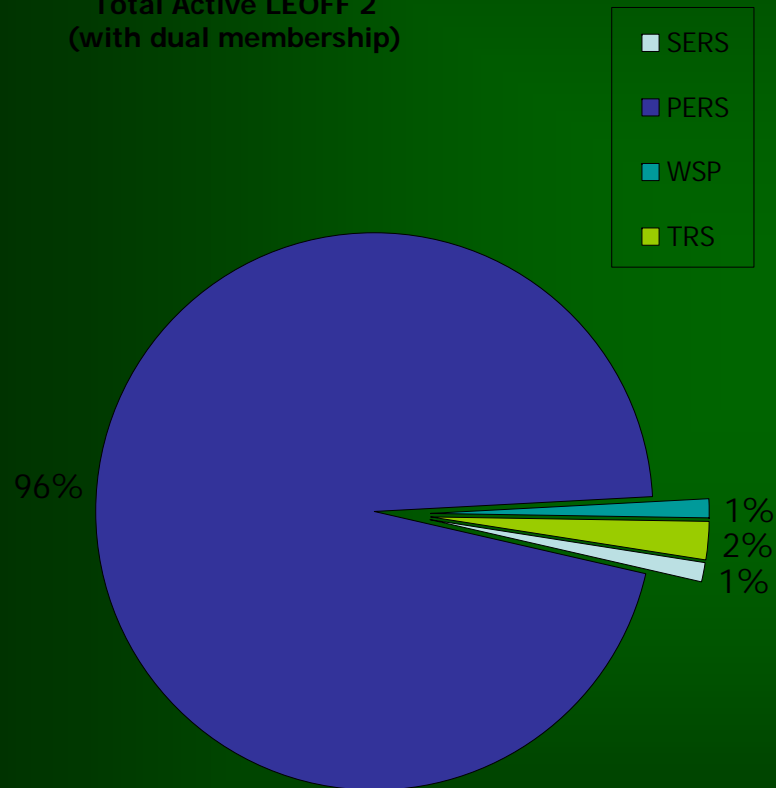
- Indexing – increases the retirement allowance payable to a member, who separates after having completed twenty years of service, by twenty-five one-hundredths of one percent, compounded for each month from the date of separation, to the date the retirement allowance commences.

# Impacted Members

- Of the 14,754 active LEOFF Plan 2 members, 1,485 are dual members.
- Of the 1,788 inactive LEOFF Plan 2 members, 505 are dual members.
- Of the 413 retired LEOFF Plan 2 members, 57 are dual members.

# Active Members of LEOFF 2

Total Active LEOFF 2  
(with dual membership)

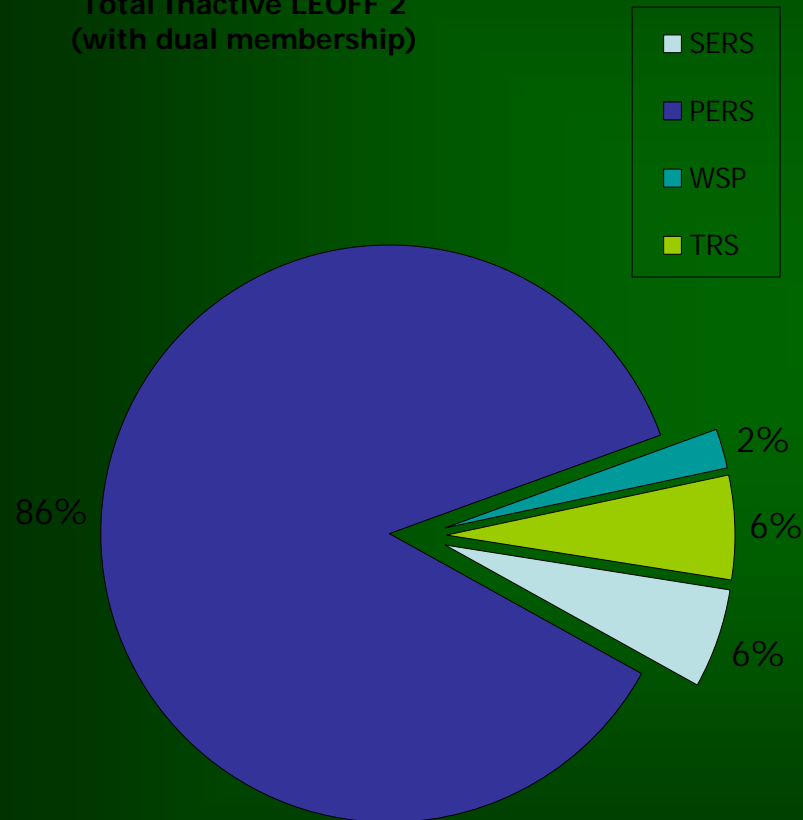


- Active members in LEOFF 2: 14,754
- 1,485 (10%) of the active members in LEOFF 2 have dual membership with another plan.
  - Of the 10% with dual membership:
    - 16 (1%) are in SERS
    - 1,418 (96%) are in PERS
    - 17 (1%) are in WSP
    - 34 (2%) are in TRS.



# Inactive Members of LEOFF 2

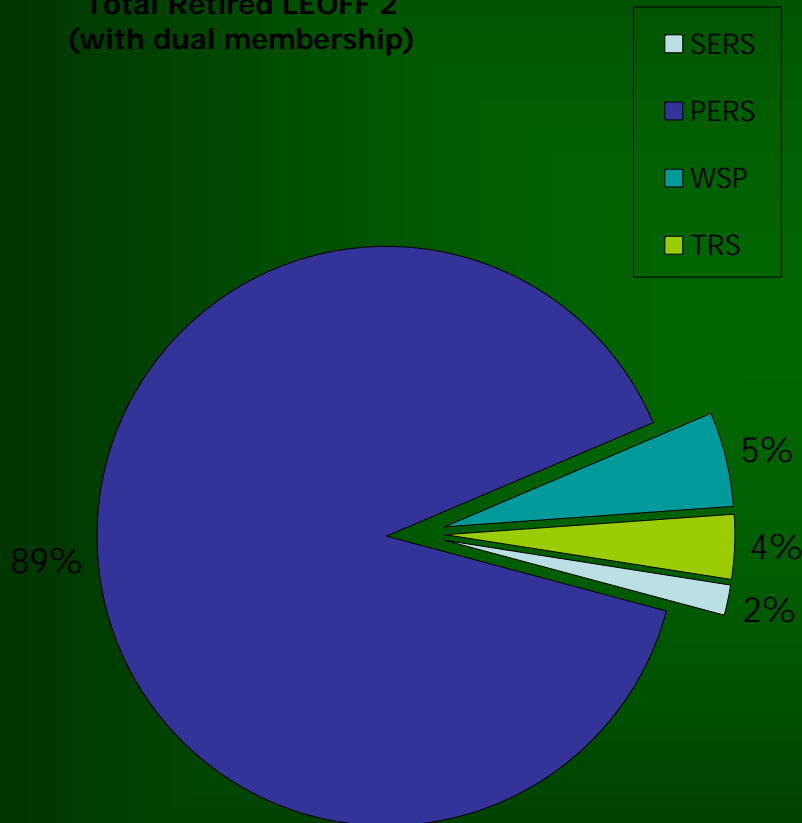
Total Inactive LEOFF 2  
(with dual membership)



- Inactive members in LEOFF 2: 1,788
- 505 (28%) of the inactive members in LEOFF 2 have dual membership with another plan.
  - Of the 28% with dual membership:
    - 28 (6%) are in SERS
    - 436 (86%) are in PERS
    - 12 (2%) are in WSP
    - 29 (6%) are in TRS

# Retired Members of LEOFF 2

Total Retired LEOFF 2  
(with dual membership)



- Retired members in LEOFF 2: 413
- 57 (14%) of the retired members in LEOFF 2 have dual membership with another plan.
  - Of the 14% with dual membership:
    - 1 (2%) is in SERS
    - 51 (89%) are in PERS
    - 3 (5%) are in WSP
    - 2 (4%) are in TRS

# How does dual membership work?

- Allows members to combine their service credit in all systems to qualify for benefits in each system.
- Allows a member to restore withdrawn contributions from a prior system within two years of establishing membership in the current system.

# How does dual membership work?

- Allows a member to combine service credit from all systems to qualify for a disability retirement, but only in their current system. If they qualify for a disability retirement, they can receive a service retirement from the prior system, including actuarial reductions.
- Allows Plan 3 members to combine service credit from all systems to qualify for the indexing feature.

# How does dual membership work?

- Allows members to combine service credit from all systems to qualify for a survivor benefit. Many of the plans, including LEOFF Plan 2, require a minimum of 10 years of service credit in order for the surviving spouse or eligible minor children to be eligible for a retirement allowance.

# How does dual membership work?

- Allows members to substitute the base salary from any of the systems as compensation used in calculating the retirement allowance. The base salary does not include overtime, vacation leave cash-outs or other similar types of compensation enhancements. This feature can be particularly attractive if the member's service in the inactive system occurred in the past when compensation was much lower.

# Limitations

- A dual member's benefit may not exceed the highest maximum benefit which they would be permitted to receive under one of the dual member systems from which they are retiring.
- A LEOFF Plan 2 member with less than twenty years can not qualify for indexing even if they have combined service credit in excess of twenty years with all dual member systems.

# Limitations

- Portability retirements do not work as well when the retirement eligibility rules of the systems are dissimilar.
- If a member retires from LEOFF Plan 2 and goes to work in a PERS Plan 2 eligible position (career change), when they retire out of PERS Plan 2, their benefit in PERS Plan 2 is based on their salary in PERS Plan 2. They can not use their LEOFF Plan 2 salary as they are not dual members.



Questions?